

BANK SECURITY AGREEMENT APR 5 1985 - 1 15 PM

RIO GRANDE CHEMICAL SALES COMPANY INTERSTATE COMMERCE COMMISSION

(Name)

1015 WALNUT

(Street Address)

MCALLEN

(City)

TEXAS

(State)

78501

(Zip Code)

hereinafter referred to as Debtor, does hereby grant to **McAlLEN STATE BANK, 200 S. 10th, McAlLEN, TEXAS**

78501, hereinafter referred to as Secured Party, its successors and assigns, a security interest in the following described property, hereinafter referred to as Collateral, under Article Nine of the Texas Business and Commerce Code (UCC), to wit:

One hundred sixty (160) Open Top Hopper Cars - see Exhibit "A".

(Description of Collateral, Attach additional sheets if necessary)

together with all increases, accessions, parts, fittings, accessories, equipment, renewals and replacements of all or any part thereof and other goods of the same class whether now owned or hereafter acquired by Debtor, all hereinafter referred to as Collateral, to secure (i) the payment

of a note in the sum of \$ 1,100,000.00, dated March 28, 19 85, made and delivered by Debtor to Secured Party, payable as therein provided; (ii) further advances to be evidenced by like notes, to be made by Secured Party to Debtor at Bank's option; (iii) all other liabilities (primary, secondary, direct, contingent, sole, joint, or several) due or to become due or which may be hereafter acquired of Debtor by Secured Party; and (iv) performance by Debtor of the agreement hereinafter set forth.

DEBTOR WARRANTS AND CONVENANTS WITH SECURED PARTY THAT:

1. Debtor is the owner of the Collateral clear of all liens and security interests except the security interest granted hereby;
2. Debtor has the right to make this agreement;
3. The Collateral is used or bought for use primarily for the purpose checked below:
 - a) Personal, Family, or Household purposes ☐
 - b) Business Purposes other than farming operations: ☒
 - c) Equipment used in farming operations, or farm products, accounts, or contract rights relating to sale of farm products by a farmer. ☐
4. The Collateral will be kept at the following location: ☐

(Address)

(City)

(State)

(Zip Code)

5. The Collateral is being acquired by the Debtor with the proceeds of the above mentioned note. ☒

6. The Collateral will be insured in accordance with specifications of Secured Party and that Debtor will provide Secured Party with a Certificate of Insurance if so requested. ☒

7. Debtor will not permit the Collateral to become a fixture, or to become an accession to other goods. ☐

DEBTOR FURTHER AGREES TO:

1. Pay the Secured Party all lawful amounts payable on the note mentioned above and all other notes held by Secured Party as and when the same shall be due and payable, whether at maturity, by acceleration, or otherwise, and will perform all terms of said notes and this and/or any other security or loan agreement between Debtor and Secured Party, and will discharge all said liabilities.

2. Defend the Collateral against the claims and demands of all persons.

3. Insure the Collateral against all hazards requested by Secured Party in form and amount acceptable to Secured Party. If Debtor fails to obtain insurance, Secured Party shall have the right to obtain adequate insurance coverage at Debtor's expense, with interest thereon at the rate of ten percent (10%) per annum. Debtor agrees to instruct insurer to make all payments directly to Creditor. All payments so received by Creditor shall be applied either on the indebtedness secured hereby until same is fully paid, the balance, if any, to be delivered to Debtor.

4. Keep the Collateral in good condition and repair, reasonable wear and tear excepted, and will permit Secured Party and its agents to inspect the Collateral at any (reasonable) time.

5. Pay as part of the debt hereby secured all amounts paid by Secured Party (a) for taxes, levies, repairs to, or maintenance of the Collateral, (b) in taking possession of, disposing of, or preserving the Collateral after any default hereinafter described and (c) attorney's fees in connection with (a) and (b).

6. If the Collateral is used or bought for use primarily for personal, family, or household purposes, Debtor will immediately advise Secured Party in writing of any change in the Debtor's residence; or if the Collateral is bought for business purposes, Debtor will immediately advise Secured Party in writing of any change in any of Debtor's places of business, or the opening of any new place of business.

7. Debtor will not (a) permit any liens or security interests (other than Secured Party's security interest) to attach to any of the Collateral; (b) permit any of the Collateral to be levied upon under any legal process; (c) dispose of any of the Collateral without the prior written consent of Secured Party; (d) permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this agreement; or (e) permit the Collateral to become a fixture, or to become an accession to other goods.

EVENTS OF DEFAULT

SECURED PARTY MAY AT ANY TIME DECLARE AN EVENT OF DEFAULT BECAUSE IT BELIEVES THAT THE PROSPECT OF PAYMENT OF ANY OF THE OBLIGATIONS SECURED HEREBY, THE PERFORMANCE OF ANY OF THE TERMS OF THIS AGREEMENT, OR THE POSSIBILITY OF RESORTING TO THE COLLATERAL FOR THE PURPOSE OF SATISFYING ALL SUCH OBLIGATIONS IS IMPAIRED.

UNTIL DEFAULT Debtor may retain possession of the Collateral and use it in any lawful manner not inconsistent with the agreements herein, or with the terms and conditions of any policy of insurance thereon.

UPON DEFAULT by Debtor in the performance of any covenant or agreement herein or in the discharge of any liability to Secured Party, or if any warranty by Debtor should prove untrue, the entire unpaid balances of said notes and all other sums for which Debtor is liable hereunder or under said notes, less deduction for unearned finance charges, shall become immediately due and payable at Secured Party's option without notice to Debtor. Secured Party may proceed to enforce payment of same and Secured Party shall have all of the rights and remedies of a secured party under the Texas Business and Commerce Code (UCC) or other applicable law. All rights provided herein, in the notes mentioned above, or in any other applicable security or loan agreement, shall be cumulative to the full extent of the law. Debtor will assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party. Any notice of sale, disposition or other intended action by Secured Party, sent to Debtor at the address specified above, or such other address of Debtor as may from time to time be shown on Secured Party's records, at least five days prior to such action shall constitute reasonable notice to Debtor. The Waiver of any default hereunder shall not be a waiver of any subsequent default.

AUTHORITY TO REPOSSESS AND WAIVER OF RIGHTS. In consideration for Secured Party's providing funds to Debtor, as described above, Debtor hereby agrees that upon default by Debtor in the performance of any covenant or agreement herein or in the discharge of any liability to Secured Party, or if any warranty by Debtor should prove untrue, Secured Party and its duly authorized representatives may, at their option, enter upon the premises where the Collateral may be located and take possession of and remove the same without legal process and without being guilty of any manner of trespass.

If there be more than one Debtor their obligations hereunder shall be joint and several IN WITNESS WHEREOF, Debtor and Secured Party have

caused this agreement to be executed this 28th day of March, 19 85.

McAlLEN STATE BANK

Secured Party

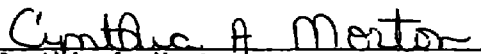
RIO GRANDE CHEMICAL SALES COMPANY

Debtor

The State of Texas
County of Hidalgo

Before me, a Notary Public, on this day personally appeared PAUL G. VEALE known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 1st day of April, 1985.


Cynthia A. Morton
Notary Public, State of Texas
CYNTHIA A. MORTON
Notary Public
State of Texas
My Commission Expires 2/1/89

The State of Texas
County of Hidalgo

Before me, the undersigned, a Notary Public, on this day personally appeared GREG YARBOROUGH, VICE PRESIDENT, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MCALLEN STATE BANK, a corporation, and that he has executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 1st day of April, 1985.

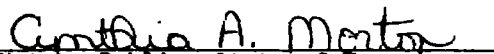

Notary Public, State of Texas
CYNTHIA A. MORTON
Notary Public
State of Texas
My Commission Expires 2/1/89

EXHIBIT "A"

NAME OF COMPANY: EVANS TRANSPORTATION CO.
NAME OF BANK: CONTINENTAL ILLINOIS NATIONAL BANK - ROLLING MEADOWS, IL.
THEIR ACCOUNT NUM. 72-71050
CARS: OPEN TOP HOPPER RAIL CARS.

NUM. OF CARS:

(160 TOTAL)

USLX 45000 - 45001 - 45004 - 45005 - 45006 -45007 -45008
45011 - 45012 - 45013 - 45015 - 45016 -45018 -45019
45020 - 45021 - 45025 - 45027 - 45029 -45030 -45031
45032 - 45033 - 45035 - 45037 - 45038 -45039 -45040
45042 - 45044 - 45045 - 45046 - 45048 -45049 -45050
45051 - 45053 - 45054 - 45055 - 45056 -45057 -45059
45060 - 45061 - 45063 - 45064 - 45065 -45068 -45070
45072 - 45073 - 45075 - 45076 - 45077 -45078 -45080
45081 - 45082 - 45083 - 45085 - 45086 -45087 -45089
45091 - 45092 - 45093 - 45095 - 45096 -45097 -45098
45099

(SUBTOTAL 71)

PRICE PER CAR: \$5,300.00 DOLLARS
F.O.T.: WASHINGTON, IND. ON THE B & O LINES
HELD ON DEPOSIT: \$25,000.00 DOLLARS
BALANCE DUE ON LETTER
OF CREDIT: \$351,300.00 DOLLARS

DRAW PAYMENTS ONLY UNDER
THE FOLLOWING CONDITIONS:

- 1.- BILL OF SALE.
- 2.- ORIGINAL INVOICE & 3 COPIES.
- 3.- FORM 88-A-4-1 OF THE A.A.R. PROPERLY EXECUTED FOR EACH CAR.
- 4.- COMPLETED UMLER DATA FORM FOR EACH CAR FOR THE INTERCHANGE SERVICE (A.A.R.).
- 5.- ORIGINAL OF OUR TELEX ORDERING EACH CONSIGNMENT OF 10 CARS.

RIO GRANDE CHEMICAL SALES COMPANY



Paul G. Veale, President

State of Texas
County of Hidalgo

Before me, a Notary Public, on this day personally appeared PAUL G. VEALE, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 1st day of April, 1985.

Cynthia A. Morton
Cynthia A. Morton
Notary Public, State of Texas

CYNTHIA A. MORTON
Notary Public
State of Texas
My Commission Expires 2/1/89